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CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members of **SBICAP VENTURES LIMITED**

Report on the Audit of the Financial Statements

We have audited the accompanying IndAS financial statements of **SBICAP VENTURES LIMITED ("the Company")**, which comprise the Balance Sheet as at **March 31, 2019**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "IndAS Financial Statements")

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IndAS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2019, its Profit, Other Comprehensive Income, the Changes in Equity and its cash flows for the year ended on that date.



Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management and those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IndAS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) specified under Section 133 of the Act. ,

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IndAS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Members of the Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Annexed herewith **Annexure B** to this report, the Auditors responsibility under Standards of Auditing, Assurance and Limitations of Audit.

Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- ii. As required by Section 143(3) of the Act, we report that:
 - a We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;



- b In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
- d In our opinion, the aforesaid IndAS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the relevant rules issued thereunder.
- e On the basis of written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act:
- f with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure C"**
- g With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, as amended, in our opinion and to our best of our information and according to the explanations given to us :
 - (i) The Company has no pending litigations having impact on its financial position required to be reported in the IndAS financial statements.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses, as required under the applicable law or accounting standards



(iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

h. Directions under section 143(5) of Companies Act 2013 applicable from the year 2018-19 and onwards .

I. The company has system in place to process all the accounting transactions through IT system. All the transactions are processed through IT System only .

II. The company does not have any loans , so question of restructuring / waiver / write off does not arise.

III. The company has not received any amounts from specific schemes from central/ state agencies.

For MAHENDRA KUMBHAT & ASSOCIATES

Chartered Accountants

Firm Registration No. 105770W



(AMAR CHAND BAGRECHA)

Partner

Membership No. 056605

Mumbai,

Dated April 16, 2019



"Annexure A" To Independent Auditors' Report

(Referred to in our report of even date)

[Referred in Paragraph (i) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the member of SBICAP Ventures Limited on the IndAS financial statements for the year ended March 31, 2019]

i) Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed by the management on such verification.
- (c) The Company does not own any immovable properties. Thus sub-clause (c) is not applicable.

ii) Inventories:

The Company does not hold any inventories. Thus sub-clause (a), (b) & (c) of the clause (ii) of the Order is not applicable.

iii) Granted Secured or Unsecured Loans:

The Company has not granted secured or unsecured loans to companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the Act. Thus clauses (a), (b) and (c) of (iii) of the Order are not applicable.



iv) Loans and Investments:

The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

During the year we have relied on the Fair Value of Investments issued based latest available financials by other firm of Chartered Accountants for Current and previous years reinstatement required under IndAS.

v) Acceptance of Public Deposits:

The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.

vi) Cost Records:

Maintenance of cost records have not been prescribed by the Central Government under Section 148(1) of the Act.

vii) Statutory Dues:

- (a) The Company is regular, wherever applicable in depositing with the appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues. There were no arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) There are no dues, wherever applicable in case of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, that have not been deposited with the appropriate authorities on account of dispute.



viii) Default in Repayment of Loans:

The Company has not accepted any amount from the financial institutions, banks, government or debenture holders. Hence, the question of default in repayment of dues does not arise.

ix) Public Offer and Term Loans:

The Company has not issued / raised by way of initial public offer or further public offer and term loans during the year. Hence, the provisions of this clause with regards to its application and the purpose for which they were raised are not applicable to the Company.

x) No Fraud during the year:

No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) Managerial Remuneration:

According to the information and explanations give to us and based on our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) Nidhi Company:

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.



xiii) Related Party Transactions:

The Company has complied with sections 177 and 188 of the Companies Act, 2013 and with the applicable Accounting Standards and has disclosed accordingly in its Financial Statements.

xiv) Preferential Allotment or Private Placement of shares or fully or partly convertible debentures:

The Company has not issued any preferential allotment or private placement of shares within the meaning of section 42 of the Companies Act, 2013.

xv) Non-Cash Transactions with directors or persons connected with them:

The Company has complied with section 192 of the Companies Act, 2013, in respect of above, if any.

xvi) Registration u/s. 45-1A of the Reserve Bank of India Act, 1934:

The Company is not required to be registered under the said Act.



"Annexure B" To Independent Auditors' Report

(Referred to in our report of even date)

[Report on the Assurance and limitations of Audit under Standards of Auditing specified under Sub-section 10 of Section 143 of the Companies Act, 2013 ("the Act").]

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast



significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IndAS financial statements.



"Annexure C" To Independent Auditors' Report

(Referred to in our report of even date)

[Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").]

We have audited the internal financial controls over financial reporting of **SBICAP Ventures Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial



Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MAHENDRA KUMBHAT & ASSOCIATES

Chartered Accountants

Firm Registration No. 105770W



(AMAR CHAND BAGRECHA)

Partner

Membership No. 056605

Mumbai,

Dated April 16, 2019